

Voluntary Contributions: Is It Right for Your Company?

Find out if paying more UI contributions now can save you money later.



Voluntary Contributions

This program allows the state's businesses to manage their unemployment insurance costs by paying additional contributions in order to lower their experience rating and reduce their UI contributions for the forthcoming calendar year.

How Voluntary Contributions Works

Any voluntary contributions you pay are credited directly to your company's account balance. This increases your company's reserve percentage and lowers your company's UI contribution rate.

An exact, predetermined amount must be paid. The voluntary contributions amount can be enough to reduce the rate to:

- the next lowest rate,
- the lowest rate on the rate table currently in effect, or
- any rate in between.

But paying voluntary contributions may not result in enough savings for your company. To help you decide if this program is right for you, just follow the steps below.

1. Determine your company's eligibility

Not all Massachusetts employers can participate in making voluntary contributions.

Here are the basic requirements. Employers must:

- Be eligible for experience rating;
- Have filed all Employer Quarterly Contributions Reports (Form 0001) to date;
- Have paid all UI contributions, interest, surcharges and penalties to date.

This means that there are categories of employers for whom voluntary contributions is not an option. These include:

- New employers until they receive an experience rating;
- Employers who are at the lowest rate of the schedule in effect for that calendar year;
- Employers who are delinquent in filing and paying their UI contributions, interest, surcharges or penalties.

If your company has unpaid obligations to DUA, you may file outstanding reports, pay the amount owed, and **then** choose to pay voluntary contributions. This must all be completed within the 30 days allowed for paying voluntary contributions. Any outstanding debt must be paid separately and cannot be included with your voluntary contributions payment.

- There are other categories of employers who are not eligible for voluntary contributions including governmental employers, suspended accounts, and employers with no wages.



choice

2. Calculate if voluntary contributions works for your business

To make it easy for you to consider all of your options, DUA has developed a Voluntary Contributions calculator.

The calculator is on the DUA Web site. The DUA home page – www.mass.gov/dwd – has a link to the calculator.

The calculator will allow you to select a variety of rates and will provide you with the amount needed to have a specific experience rate assigned to your company.

You will need your current “Notice of Employer’s UI Contribution Rate/Statement of Account Balance” (Form 9701-V) when using the calculator.

All you need to do is:

- Enter your account balance (from Line 8)
- Enter the wages subject to contribution (from Line 9)
- Click **Submit** and the screen will display all the next lower rates and the payment required for each of those rates.

You can print the calculator results for your records and download a voluntary contribution payment form to submit with your voluntary contributions payment.

3. Send your payment to DUA

If you decide to participate in voluntary contributions, your payment must be:

- Made by a separate check for the exact amount required to lower your company’s rate;
- Submitted with the voluntary contribution payment form or a reasonable facsimile; and
- Received by DUA by the due date shown on your “Notice of Employer’s UI Contribution Rate”, Form 9701-V.



Some other things you should know

Voluntary contribution payments:

- Cannot be used for any purpose other than to reduce a company’s UI contribution rate;
- Cannot be refunded;
- Are not considered for FUTA 940 certification;
- Do not reduce Unemployment Health Insurance (UHI) or Workforce Training Fund contribution rates; and
- Do not retroactively reduce UI contribution rates.

Have questions?

If you have questions about your company’s eligibility, or simply want more information, please check the DUA Web site www.mass.gov/dwd or call the DUA Contributions Department at 617-626-6896.